insurance policy arc fixed by the Tariff Advisory Committee (TAC) which is a statutory body under the Insurance Act, 1938. A phased revision in the prcmia rates on various types of vehicles is on the anvil in view of the substantial adverse claims ratio being experienced by the general insurance industry.

Statement

Existing premium rates for various type of vehicles

(In Rupees)

Description of Vehicle Category	Estimated Value	Existing Premium Rates		
		Own Damage (OD)	Third Party Liability (TP)	Total
Two Wheelers	25,000	330	40	370
Private Car—A	2,00,000	4488	160	4648
Private Car—B	2,00,000	6178	160	6338
Public Carrier	6,00,000	10150	1245	11395
Private Carrier	6,00,000	7112	996	8108
Taxi	2,00,000	4488	600	5088
Passenger vehicle	8,00,000	11750	.7250	19000
Other vehicles	4,00,000	4150	120	4270

Steps to make Insurance Laws people friendly and pro-poor

1690. SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:
SHRIMATI VEENA VERMA:
SHRI RAJUBHAI A. PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the report in the Blitz Weekly of January 4-10, 1997, captioned 'Insure and be insecure' revealing that victims of the forfeiture clause in the insurance policies are persons belonging to poorer and weaker sections, including women;

(b) if so, what steps are being taken to ensure that the insurance laws and its enforcement both become people friendly and pro-poor; and

(c) whether Government have decided to open insurance business to private sector including MNCs and if so, what steps are being taken to safeguard the interest of the common man, especially the weaker sections, under the new dispensation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) Yes, Sir. The forfeiture clause in the life insurance policies is generally applicable when either the premiums are not paid within the grace period or it is found that the proposal contains an untrue or incorrect statement or a material information has been withheld. These contingencies may arise in case of any policy, irrespective of the sex or economic status of the persons taking the policy. However, LIC has taken several measures to alleviate the hardship caused to the policyholders due to strict application of the forfeiture clause; such as making ex-gratia payments, subject to certain conditions, even when the policies lapse within the period of three years;

and by taking a sympathetic view of the repudiated claims belonging to people from lower strata of society at the time of their review by the Zonal and Central Office Claims Review Committees.

(c) The policy of the present Government towards insurance sector has been laid down in the Common Minimum Programme (CMP) which says that:

> "We have gained considerable experience in the working of the banking sector. The said experience will be applied to the restructuring of the insurance industry but at the same time public sector companies like LIC, GIC etc. will be strengthened."

In pursuance to the aforesaid policy, the Government has already introduced an Insurance Regulatory Authority Bill in Lok Sabha on 20.12.1996 to give statutory status to the interim Insurance Regulatory Authority (IRA). The Finance Minister has announced - the intention of the Government to—(a) strengthen the LIC and GIC further by giving them powers to make non-schcdulcd non-consortium investments;
(b) determine the terms and conditions of service of their employes and agents; and to make regulations in this regard;
(c) allow UTI to expand their Retirement Benefit Plan into a full-fledged pension fund;
(d) allow entry of selected Indian players into the health insurance sector; and (e) permit LIC and GIC to enter into joint-ventures in the pension business, and health insurance business respectively.

Public Sector Banks authorised to exchange soiled notes in Gujarat

1691. SHRI AHMED PATEL: Will the Minister of FINANCE be pleased to state:

(a) the public sector banks or branches thereof authorised to exchange soiled or torn currency notes from the general public in the State of Gujarat, bank-wise details;

(b) whether Government propose to authorise all the branches of all the public sector banks throughout Gujarat to exchange the soiled or torn currency notes of the general public without charging them;

(c) if not, the reasons therefor; and

(d) what remedial measures Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Under R.B.I. (Note Refund) Rules, 1975 Reserve Bank of India (RBI) has authorised all branches of Public Sector Banks (PSBs) to exchange soiled and slightly mutilated notes from general public. The branches of PSBs maintaining currency chests have been delegated full powers by RBI to adjudicate and exchange all types of soiled, cut, torn and mutilated notes under afore-said RBI (Note Refund) Rules, 1975. Bank-wise details in Gujarat State arc appended as Statement. *{See* below)

(b) Under the Scheme of delegation of powers for exchange of mutilated notes under RBI (Note Refund) Rules, 1975, all the branches of public sector banks throughout the country including Gujarat State have already been delegated powers to exchange free of cost all types of mutilated notes to members of public.

(c) and (d) Do not arise.